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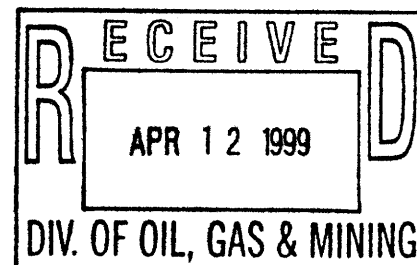
SALT LAKE CITY, UTAH

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April 9, 1999  
Via Facsimile & U.S. Mail



Mr. Richard Manus  
Field Manager  
Price Field Office  
125 South 600 West  
Price, Utah 84501

RE: Horizon Mine - Federal Coal Lease UTU-74804

Dear Field Manager Manus:

On behalf of Horizon Mining, LLC., ("Horizon") we have been requested to notify you that Horizon is in compliance with the Notice of Non-Compliance ("Notice") and Order for Immediate Cessation of Operations ("Order") dated April 8, 1999. The Notice and Order were served on me as Resident Agent for Horizon at 9:30 a.m. this morning by hand delivery from Alan Rabinoff, Utah State Office of the Bureau of Land Management ("BLM"). As I indicated to Mr. Rabinoff, at the time of service of the Notice and Order, Horizon had stopped mining coal within the 1<sup>st</sup> Left North Main on Federal Coal Lease UTU-74804.

Horizon is disappointed that the BLM and the State of Utah notified Channel Four and provided a television interview prior to serving Horizon with the Notice of Non-Compliance and Order. This precipitous action was unfair to the operator and undermines Horizon's good faith efforts to remedy the non-compliance. By letter dated April 5, 1999, Horizon agreed to withdraw from mining in the 1<sup>st</sup> Left North Main and proposed an abatement plan. Unfortunately, BLM did not formally respond to this proposal prior to taking action.

Therefore, on behalf of Horizon we would appreciate your written acknowledgement of the following abatement plan:

1. Horizon has ceased extractive operations within the 1<sup>st</sup> Left North Main and proposes to proceed with mining operations within mine permit Act/007/020 until it receives federal mine plan approval of its amended permit.

Richard Manus

04/09/99

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2. By letter dated March 26, 1999, Earthfax Engineering, Inc., submitted Horizon's incidental boundary change for Mine Permit No. ACT/007/020 to the State. By letter dated April 5, 1999, the State confirmed receipt of the application and indicated that the federal Office of Surface Mining ("OSM") will require federal mine plan approval pursuant to 30 CFR §§ 746.11(a) and 746.18(d)(4). Horizon will prepare a resource recovery and protection plan and other materials necessary for federal mine plan approval.
3. As set forth in the April 8, 1999 Order, although mining operations will cease in the 1<sup>st</sup> Left North Main of the Horizon Mine, the mining section will remain open for inspection at any reasonable time. Horizon will square off the section, pump water, control the roof and secure the unpermitted area as necessary for mine safety and health purposes during the abatement period.

Thank you for your assistance in this matter.

Very truly yours,



Denise A. Dragoo

DAD:jmc:79162

cc: Larry Jones  
Alan Rabinoff  
Bruce Hill, Esq.  
Mary Ann Wright  
Steve Falk  
William Malencik